



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Anne Pope**

NEWS RELEASE

Office of the Attorney General
P.O. Box 20207 Nashville, TN 37202-0207

Department of Commerce and Insurance
Division of Consumer Affairs
500 James Robertson Parkway Nashville, TN 37243

FOR IMMEDIATE RELEASE

Jan. 9, 2003

Number #03-02

CONTACT:

Sharon Curtis-Flair

(615) 741-5860

**TENNESSEE ATTORNEY GENERAL JOINS MULTISTATE
AGREEMENT WITH CVS PHARMACY**

The State of Tennessee and 18 other jurisdictions have reached an agreement regarding deceptive practice claims with CVS Pharmacies, Inc., Attorney General Paul G. Summers announced today.

The agreement concludes a multi-state investigation into alleged unfair and deceptive billing practices of CVS. It resolves allegations that CVS initially charged consumers the full amount for prescriptions that were not completely filled due to insufficient inventory and then retained the excess payment if the consumer did not return to pick up the balance of the prescription at a later date.

“We appreciate the cooperation CVS offered in this matter,” Attorney General Summers said. “We believe this agreement ensures consumers will be getting what they pay for.”

Today’s agreement marks the second involving CVS’s billing practices. During April 2001, following an investigation by the Department of Justice and the National Association of Medicaid Fraud Units, CVS agreed to settle claims that it billed federal and state health care programs for quantities of medication that exceeded the amounts actually given to consumers.

Under today's settlement, CVS is required to develop and implement pharmacy billing policies designed to prevent consumers from being billed for medication until the entire amount prescribed has been dispensed and to ensure future compliance with the state's consumer protection laws.

CVS will be required to pay the states \$1.1 million as part of the agreement. Tennessee's share is \$144, 909.35, part of which will be used to benefit low-income, disabled or elderly consumers of prescription medications. Under the agreement, CVS has admitted no wrongdoing.